



GREGORY J. SMITH
SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK
 1600 PACIFIC HIGHWAY, ROOM 103
 SAN DIEGO, CALIFORNIA 92101-2480
 TELEPHONE (619) 531-5763

Internet: <http://www.sdarcc.com>



INSTRUCTIONS FOR WELFARE CLAIM
 ANNUAL FILING IS DUE FEBRUARY 15, 2004
BEFORE YOU RETURN YOUR WELFARE EXEMPTION CLAIM - CHECK THIS SHEET

MAIL CLAIM TO: San Diego County Assessor
 ATTN: Institutional Exemptions
 1600 Pacific Highway, Room 103
 San Diego, CA 92101-2480
(619) 531-5763

Effective January 1, 2004, new legislation has amended the Welfare Exemption filing procedure. Please carefully review the following instructions before submitting the claim.

The Welfare Exemption is jointly administered by the State Board of Equalization and the County Assessor. The State Board of Equalization reviews the claimant's organizational qualifications and issues an Organizational Clearance Certificate (BOE-277-OC). The claimant submits a copy of the OCC to the Assessor with the Welfare Exemption claim. The Assessor reviews the use of the property and makes the final determination as to the exemption. **Organizations that currently qualify for the Welfare Exemption in San Diego County do not need to file the Organizational Clearance Certificate.**

Organizational Requirements (State Board of Equalization Determination)

One of the basic requirements for the welfare exemption is that the organization must be organized and operated for religious, hospital, scientific, or charitable purposes. Property owned by an organization may be eligible for the welfare exemption only if the nonprofit organization is organized and operated for these purposes. Organizations that intend to claim the welfare or veterans' organizations exemption and are not currently eligible for these exemptions in any county in the state (i.e., new to the state) are required to file a claim form requesting an Organizational Clearance Certificate.

Board of Equalization staff will review claims for organizational clearance certificates filed by organizations that intend to claim the welfare or veterans' organization exemption to determine if the organization is organized and operated exclusively for a qualified purpose(s), and otherwise meets the requirements of section 214 of the California Revenue and Taxation Codes. The claim must be accompanied by organizational documents and must include the corporate identification number and mailing address. Organizational documents include the following:

- Articles of Incorporation (and other formative documents), to include Irrevocable Dedication Clause and Dissolution Clause
- Tax Exemption Letters from California State Franchise Tax Board or Internal Revenue Service
- Financial Statements of Organizations

If the Board determines that an organization qualifies, the Board will issue an Organizational Clearance Certificate; the claimant will provide a copy of the certificate with claim forms filed in any of the 58 counties.

To contact the State Board of Equalization or to download the claim for the Organizational Clearance Certificate, please go to the following website: www.boe.ca.gov/proptaxes/welfareorgreg.htm

The organization may submit a Welfare Exemption claim to the Assessor's office after filing for or receiving the Organizational Clearance Certificate. For your claim to be approved, all of the documents referred to below must be submitted. Otherwise, the claim will be denied as an incomplete filing. (Section 260, Revenue and Taxation Code)

PLEASE RETURN CLAIM FORMS TO THIS OFFICE AS FOLLOWS:

NEW ACCOUNTS (first time filing in San Diego County) include the following:

1. Operational Clearance Certificate from the State Board of Equalization.
www.boe.ca.gov/proptaxes/welfareorgreg.htm
2. Financial statements for the organization
 - a. Balance Sheet (Assets & Liabilities)
 - b. Operating Statement (Income & Expenses)
3. Welfare Exemption (form BOE –267) for each year claimed. **All signatures must be original**
4. Financial statements for each location, if different from those of the organization.
5. Business Property Statement FORM 571S (return one copy for each new location claimed).
6. Supplemental Clearance Certificate from the California State Board of Equalization (for low-income)
www.boe.ca.gov/proptaxes/welfareorgreg.htm
7. Supplemental Affidavit (for low-income or elderly and handicapped housing).
8. Deed restriction or regulatory agreement (for low-income housing).
9. Rehabilitation Affidavit (rehabilitation housing or thrift shop activity).

Please indicate a mailing address, if it differs from the location. All communications regarding exemptions on your property will be sent to the indicated mailing address.

The claimant name and the ownership title of the real property must be exactly the same (except for limited partnerships). In order to change the ownership title of real property, a deed or a copy of the Amended Articles of Incorporation must be recorded with the County Recorder.
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IF YOU REQUIRE A RECEIPT, PLEASE SEND A SECOND SET OF FORMS AND A PRE-ADDRESSED, STAMPED ENVELOPE. We will receipt and return them to you.

PREPARATION OF CLAIM

The term *property* as used here means any operating unit of property consisting of one parcel or several contiguous parcels for which exemption is sought even though there may be several improvements and separate buildings thereon. All personal property for which exemption is sought should also be listed.

If the owner and operator of the property are not the same, each must execute a separate claim and give the information requested. **All questions must be answered.** Failure to answer all questions may result in denial of your claim. Leave no blanks; use "no", "none", or "not applicable" where needed. The following information is provided to assist you in answering specific questions on your claim.

- Line 10.** (a) Year filed is the year in which the claim was submitted to the Assessor.
(b) Give exact name under which organization filed for year indicated in (a).
- Line 14.** (a)(1) Enter the legal description or map book, page, and *parcel number*. Use additional sheets if necessary. (a)(2): Indicate the area and the unit of measurement used. (a)(3): List the primary use which should qualify the property for exemption and the incidental use or uses of the property since January 1 of the prior year.
- (b)(1) List all buildings and improvements on the land. Use additional sheets if necessary. Describe as stucco, concrete and steel, brick, wood, etc. (b)(2): List the **primary use** and the incidental use or uses of the property since January 1 of the prior year.
- (c)(1) List the type of personal property. (c)(2): List the primary use and the incidental use or uses since January 1 of the prior year.
- Line 15.** If the owner and operator of any portion of the property are not the same, **both must file a claim**, and each must meet all of the requirements to obtain the exemption.
- Line 16.** (a) Copies of leases or agreements must be submitted if the answer is yes. If the leases or other agreements have been filed in prior years, it is only necessary to attach copies of subsequent extensions, modifications, and changes.
- (b) If the answer is yes, provide the names and addresses of the lessors and consignors and list the quantity and description of the property.
- Line 17.** If the answer is yes, describe the portion of the property used for living quarters. Submit documentation, including tenets, canons, or written policy, that indicates the organization requires housing be provided to employees and/or volunteers. Include statement why such housing is incidental to and reasonably necessary for the exempt purpose of the organization and the occupant's role or position in the organization. (This question is not applicable where the exempt activity is providing housing, for example, homes for aged, youth, mentally or physically disabled.)
- Line 18.** If the answer is yes, describe in sufficient detail to determine the volume of business and the hours open for business since January 1 of the prior year. If a business operation located on the listed parcel has been **deliberately omitted**, because you do not desire the exemption on the business, so state.
- Line 21.** If the answer is yes, describe the type of investment contemplated and the reasons that make such expansion necessary.
- Line 22.** In submitting the financial statements, the operating statement should be restricted to the financial transactions relating to the operation of the subject property. The income should include only those receipts that result from the operation of the property and should not include receipts from invested funds, gifts, or other items that do not result directly from the operation of the property.
- The expenditures should be limited to those resulting from the operation of the property. Any expenses of the organization or expenses extraneous to the operating unit should not be included. If compensation of personnel or other administrative expenses are pro-rated to the property, such pro-rata should be indicated. If the nature of an item of income or disbursement is not clear from the account name, further explanation indicating the nature of the account should be appended. **Your claim will not be processed until the financial statements are received by the Assessor.**
- Line 23.** If the answer is yes, provide the documents and other information requested.



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CLAIM FOR WELFARE EXEMPTION (FIRST FILING)
EXEMPTION FROM PROPERTY TAXES UNDER SECTIONS 4(b) AND 5 OF
ARTICLE XIII OF THE CONSTITUTION OF THE STATE OF CALIFORNIA AND
SECTIONS 214, 254.5, AND 259.5 OF THE REVENUE AND TAXATION CODE

(See also sections 213.7, 214.01-214.1, 215.2, 221-222.5, 225.5, 231, 236, 254-254.6, 259.5, 261 and 270-272 of the Revenue and Taxation Code.)

To receive the full exemption, a claimant must complete and file this form with the Assessor by February 15, or within 30 days of the date of Notice of Supplemental Assessment, whichever comes first.
(Read instructions carefully before preparing claim and supporting schedules.)

Please check one: ☐ Organization is filing for exemption for the first time in county.
☐ Organization is already receiving exemption for another property in county, organization is seeking exemption on added location.

- _____ states:

(Name of person making claim)
1. That as _____
(Title, such as president, etc.)
2. of the _____
(Corporate name from articles if incorporated)
3. the corporate identification number of which, if any, is _____
(If none, enter "none")
4. the organization has an Organizational Clearance Certification issued by the State Board of Equalization. ☐ Yes ☐ No
 If **yes**, provide Certificate No. _____ and attach copy. If **no**, please check applicable box below:
☐ An application for the BOE Organizational Clearance Certificate has been filed, but a certificate has not yet been issued, or
☐ An application for the BOE Organizational Clearance Certificate has not yet been filed. *(Contact the Board at 916-445-3524 to request an application form, BOE-277.)*
5. the mailing address of which is _____;
(Give complete address including zip code)
6. that I make this claim for welfare exemption on behalf of this organization for the **2004 – 2005** fiscal year;
7. that the **property is used for the actual operation of the exempt activity**;
8. that the property is not used or operated by the owner or by any other person so as to benefit any officer, trustee, director, shareholder, member, employee, contributor, or bondholder of the owner or operator, or any other person, through the distribution of profits, payment of excessive charges or compensations, or the more advantageous pursuit of his business or profession;
9. that the property is not used by the owners or members for fraternal or lodge purposes, or for social club purposes except where such use is clearly incidental to a primary religious, hospital, scientific, or charitable purpose.
10. Prior filings
 Has the organization filed for the welfare exemption in this county in prior years? ☐ Yes ☐ No If **yes**, state:
 (a) Latest year filed _____ (b) Exact name of organization filed under _____

*If the owner and operator of the property are not the same, each must execute a separate claim.

FOR ASSESSOR'S USE ONLY	
Received by _____ <i>(Assessor's designee)</i>	
COUNTY OF SAN DIEGO	
on _____ <i>(Date)</i>	

Whom should we contact during normal business hours for additional information?

NAME _____	
ADDRESS <i>(street, city, state, zip code)</i> _____	
DAYTIME PHONE NUMBER () _____	EMAIL ADDRESS _____

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief.

SIGNATURE OF PERSON MAKING CLAIM

DATE



THIS EXEMPTION CLAIM IS A PUBLIC RECORD AND IS SUBJECT TO PUBLIC INSPECTION.

11. Address of this property _____
(give complete address including zip code)
12. Is this a new location this year? ☐ Yes ☐ No When was this property first put to an exempt use?
Date _____, 20_____.
(month/day) (year)
13. If claiming exemption for real property, what date was the property acquired? _____
14. Description of Property and Property Use:
(a) If seeking exemption on Land, provide the following:
(a)(1) Legal description or map book, page, and parcel number from the most recent tax statement _____

(a)(2) Area in acres or square feet _____
(a)(3) Primary and incidental use of the property described _____

(b) If seeking exemption on Buildings or Improvements, please provide the following:
(b)(1) Building number or name, number of floors, number of rooms, type of construction _____

(b)(2) State the primary and incidental use of the property described _____

(c) If seeking exemption on personal property, provide the following:
(c)(1) Personal Property description (type) _____
(c)(2) State the primary and incidental use of the property described _____

15. Owner and operator (carefully check applicable boxes)
Claimant is: ☐ owner and operator ☐ owner only ☐ operator only and claims exemption on all ☐ land ☐ buildings and improvements and/or ☐ personal property listed above. List the name of the organization which owns or operates the land, buildings, or personal property **other than the claimant:** _____

16. Leased or rented (since January 1 of prior year)
- (a) Is any portion of the property indicated in 14 above rented, leased, or being used or operated part time or full time **by some other person or organization**? ☐ Yes ☐ No If **yes**, describe that portion and its use and attach a copy of agreement; list amount received by claimant: _____

- (b) Is any equipment or other property at this location being leased, rented, or consigned from someone else? ☐ Yes ☐ No If **yes**, list equipment and other property at this location that is being leased, rented, or consigned to the claimant. Please list the name and address of lessor or consignor and the quantity and description of the property and attach to the claim. Property so listed is not subject to the exemption and will be assessed by the Assessor if owned by a taxable entity.

17. Living quarters (since January 1 of prior year)

Is any portion of this property used for living quarters (other than low income housing or housing for the elderly or handicapped) for any person? ☐ Yes ☐ No If **yes**, describe that portion:

Submit documentation that the housing is incidental to and reasonably necessary for the exempt purposes of the organization. (If living quarters associated with a rehabilitation program, submit BOE-267-R.) See Instructions.

18. Sale of personal property (since January 1 of prior year)

Is any portion of the property indicated in 14 above used to operate a **store, thrift shop**, or other facility making sales to members or to the general public? ☐ Yes ☐ No If **yes**, list hours per week the business is operated and describe nature of articles sold:

Thrift Store

(a) Is this property used as a thrift store as part of a planned formal rehabilitation program? ☐ Yes ☐ No If **yes**, submit BOE-267-R.

19. Low-Income Housing

Is this property used as low income housing? ☐ Yes ☐ No If **yes**, form BOE-267-L must be submitted. If this property is owned by a limited partnership, form BOE-267L1 must also be submitted. Additionally, if this property is owned by a limited partnership, please submit a copy of the certified Secretary of State form LP-1.

20. Elderly or Handicapped Housing

Is this property used as a facility for the elderly or handicapped? If **yes**, form BOE-267-H must be submitted unless care or services are provided or the property is financed by the federal government under sections 202, 231, 236, or 811 of the Federal Public Laws.

21. Expansion

Do you contemplate any capital investment in the property within the next year? ☐ Yes ☐ No If **yes**, explain:

22. Financial statements relating exclusively to this property

Attach to this claim a copy of your **operating statement (income, expenses) and balance sheet (assets, liabilities) for the calendar or fiscal year immediately preceding the claim year.**

23. Is the **property** for which this exemption is sought used for activities that produce income that is "unrelated business taxable income," as defined in section 512 of the Internal Revenue Code and that is subject to the tax imposed by section 511 of the Internal Revenue Code?

☐ Yes ☐ No.

If **yes**, you must attach to this claim each of the following:

- (1) The organization's information and tax returns filed with the Internal Revenue Service for its immediately preceding fiscal year.
- (2) A statement setting forth the amount of time devoted to the organization's income-producing and to its non income-producing activities and, where applicable, a description of that portion of the property in which those activities are conducted.
- (3) A statement listing the specific activities which produce the unrelated business taxable income.
- (4) A statement setting forth the amount of income of the organization that is attributable to activities in this state and is exempt from income or franchise taxation and the amount of total income of the organization that is attributable to activities in this state.